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Industrial Horizons



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WALDORF MILL CONTRIBUTES TO MISSOULA ECONOMY

As pulp mills go, the new 250-ton per day Waldorf Paper Products Company plant in Missoula may not be large.

But its importance to the economy of Missoula and western Montana is certainly great. The mill is a distinct asset to Montana. These are the conclusions of a State Planning Board survey to evaluate the economic impact of Montana's first pulp mill.

The mill itself, which began operations last November, has a permanent direct payroll of 80 persons. In addition, the mill buys chips for raw material from six sawmills in the Missoula area, and this has resulted in 25 new jobs in the related operations of barking and chipping and in the transportation of chips by rail and truck to the pulp mill.

Basic Jobs Support Services

But direct payrolls are only the beginning of the pulp mill's impact on the Missoula area economy. It can be estimated conservatively that each job in basic wealth-creating activity (making products for out-of-state markets) supports at least one more job in trade and services. The Waldorf plant, then, is visible support for at least 210 jobs—105 directly and 105 indirectly. Or, based on the 1950 average Montana family size of 3.62 persons, a total of at least 760 persons could be dependent upon the Waldorf mill for their bread and butter.

These evaluations probably underestimate the full chain reaction from Waldorf's new investment in Missoula. Some sources indicate relationships as high as 2 or 3 secondary jobs to each one in basic industry, and the U. S. Chamber of Commerce estimates a ratio of 1 to 1.7.

However, the State Planning Board believes that estimates of this type should be on the conservative side to avoid exaggeration. This approach probably is particularly applicable for Missoula—an already well-developed trade center where existing trade and service industries are able to absorb much of the secondary impact resulting from basic economic development.

Mill Cuts Unemployment

Waldorf has had a greater impact on the Missoula sawmill industry than the 25 new jobs in barking and chipping.

The lumbering industry in western Montana has been depressed for the past year. Unemployment in the sawmills in the Missoula area most certainly would have been much greater had there not been the opportunity to supplement revenues by selling chips. This is the consensus of the management of all six mills.

Diehl Lumber Co., Plains; Intermountain Lumber Co., Missoula; The Anaconda Lumber Co., Bonner; Elk Horn Lumber Co., Missoula; Rother Lumber Co., Missoula; Diamond Match Co., Superior.

H. H. Koessler, President of Intermountain Lumber Co., was emphatic in pointing out, "Gross revenues to Intermountain from chips exceed \$1,000 per day. Without this market we could not possibly have maintained our high level of operations. In fact, we might well have been forced to shut down a large part of the year."

Similarly, James Rother, President of Rother Lumber Co., and Mission Prefabricated Homes, said, "On the present lumber market we'd be shut down. The market for chips is the only thing that's making it possible for us to operate."

Thus, the newly established market for chips has had an immediate stabilizing influence on employment in six sawmills. These mills were able to maintain

a total average employment of 1,050 persons through the past winter.

This new interdependency between different types of wood products industries may well be a sign of better times in the long run for Missoula's economy.

Large Capital Investments

Total capital investment in Waldorf's plant is nearly \$6 million. About \$1 million investment has also been made in barking and chipping equipment at the six sawmills. In some of these mills the Waldorf Company has provided financial assistance to facilitate the equipment purchases. Probably more sawmills in western Montana will be supplying chips to Waldorf in future years, and each mill doing so will make investments ranging from \$125,000 to over \$200,000 in barking and chipping equipment.

From the conservation point of view, too, Waldorf's mill is valuable to Montana. It was formerly economic to utilize only 40 per cent of the tree; 60 per cent was burned. Use of chips by the pulp mill allows 85 per cent utilization.

Direct Payments

Waldorf is now producing 225 tons of semi-processed sulfate pulp per day.

(Continued on page 4)



(Cullin Photo)

A view of Missoula's new Waldorf Paper Products Company pulp mill. Note the large pile of wood chips in the lower right, and the conveyor system into the plant. The mill is highly automated. Over \$500,000 has been spent on odor control facilities, and the company is working closely with the State Board of Health and State Fish and Game Department on water pollution control facilities.

BILLINGS, TRADITIONAL TRANSPORTATION AND DISTRIBUTION CENTER, FUNDS NEW STRENGTH IN OIL

by William S. Beasley

Administrative Assistant—Billings Chamber of Commerce

LD, NO. 1. This is the second in a series of articles on the economies of various communities in Montana. The articles are written by local development people.

Ask the average person in Billings about industry in the Magic City and there is a good chance he will point out that Montana's largest urban area depends primarily on an agricultural economy.

Of course, the city-county planner, and he is a good lawyer, too, for Billings cannot afford to let the present time to attract large industry slip. The planner first hired by Montana county will at the same time be looking for a steel mill, airplane manufacturing smelter, or gigantic processing plant, and then point to rosy prospects for continued growth of smaller industries which are given Billings a steady stream of almost continuous employment.

Of course, the Chamber of Commerce and the Mayor of the business and civic community would agree with the city-county planner. But Billings' future lies in many directions and includes the type of smaller industries which utilize natural resources and can take advantage of the city's location as the only urban area in a vast agricultural area and a wonderful place to do business.

Midland Empire

While Billings is not the industrial pivot of Montana, it is the industrial center of the Midland Empire, an area approximately as vast. It is the undisputed capital of the Northern Rocky Mountain. As the largest distribution center in an area much larger than Montana, it has more wholesalers, jobbers, manufacturers and salesmen than any other city in the state. It is served by three airlines, three railroads, three bus lines, and four federal and state highways. Its airport, with a 6,000-foot runway and modern terminal, is to be completed in 1958, and will be the busiest of any airport in size of the nation.

Transportation Important

Consequently, transportation is one of Billings' major industries in terms of employment. There are 15 motor freight companies and the telephone directory includes a longer list of trucking companies.

Railroads and bus lines also contribute to employment, general commerce and traffic, although the railroads' shops and terminal facilities are located in the Lockwood, which has a city center and a shopping center, the only being in the area. Billings is hundreds of miles of railroads, and a few miles of highway, and a few miles of air.

Billings is coupled with the east and west by the Great Northern and Union Pacific in the north, the Great Northern and Union Pacific in the south, and the Great Northern and Union Pacific in the west. The Great Northern and Union Pacific, which are the only two lines to pass through Billings, allow it to have a good share of the traffic. The Great Northern and Union Pacific, which are the only two lines to pass through Billings, allow it to have a good share of the traffic. The Great Northern and Union Pacific, which are the only two lines to pass through Billings, allow it to have a good share of the traffic.

As one of the two Montana cities to be served by more than one route of the interstate highway system, Billings can expect additional tourist business benefits in addition to others.

Oil Refineries

Billings has two oil refineries, which combined with the Farmers' Union Central Exchange refinery at Laurel have a daily capacity of well over 50,000 barrels of oil daily. The Continental Oil Company refinery at the southeast edge of Billings and the Carter Oil Company refinery east across the Yellowstone River in the Lockwood Community are expected to greatly influence the development of future industry location.

As oil production rose in the Midland Empire's 16 fields, the three refineries boosted consumption to 1,487,885 barrels monthly.

A \$3 million expansion program to increase quality at the FUCE refinery will be completed in the spring of 1958 and will add 15 to 20 men to the payroll.

Carter is undergoing another of several recent expansions. This one will boost capacity to 34,000 barrels daily, will cost over \$1.5 million, and will be completed in May, 1958.

The Wolf Springs oil field in Yellowstone County, first in the immediate Billings area, indicates important additions to Montana's petroleum resources. Billings, as the capital of the Williston Basin and home of more than 50 oil company regional, district, or company offices, is not within the Williston Basin.

Pipelines

The Interstate Pipe Line from the Elk Basin Field in Wyoming brings most of the crude to the Billings and Laurel refineries. The Powder River Pipeline Company crude line brings additional crude oil from the Sumatra Field near Roundup south to the Carter refinery at Billings and FUCE refinery at Laurel. The Yellowstone products pipeline originates at Billings and goes to Spokane via Bozeman, Helena, and Missoula. The Oil Basin Pipeline Company has a products line originating at Laurel which also carries Billings oil products to Glendive.

There are more people in Billings who derive their living directly from petroleum now than there were at the peak of the Williston Basin "boom" about 1954 or 1955. In addition to well over 3,000 families dependent on the exploration, production, refining, and marketing aspects of petroleum for weekly pay checks, there is an increasing number employed in businesses or professions servicing the petroleum industry—lawyers, title researchers, map-makers, service and sup-



(Roehren Photo)

The Carter Oil refinery in the Lockwood area east of Billings is expected to be joined by other "heavy" industry.

ply companies, salesmen, and many others.

Agricultural Center

Agriculture not only is a major industry itself, but it makes possible other sizeable industries and offers a great potential. Both irrigated acreage in the fertile Yellowstone Valley and vast tracts on dry-land bench tracts provide grain for the large Russell-Miller Milling Company plant close to the downtown shopping district and the Grain Terminal Association mill in the Northern Pacific Industrial site. Other main crops from the irrigated lands include beans and corn packed by the Big Horn Canning Company, which employs more than 300 seasonally in its Billings and Wyoming plants. During the 1957 season it packed 7,607,760 cans of vegetables.

The Billings area gets a large share of the \$10 million cash income and estimated \$17 million benefit the state gets annually from sugar beets. Area farmers receive approximately \$5 million in total payments for a year's crop. Great Western Sugar Company invested in new equipment in 1957, including over \$500,000 for the nation's first silver slope diffuser, and processes an average of 4,100 tons of sugar beets daily.

Indicative of Billings' agricultural advantages was the announcement late in 1957 that the Northern Pacific Railway Company would move its general livestock office to Billings January 1, from St. Paul, with W. J. Galt as general livestock agent. The city's central location for major livestock producing and shipping areas of the Northwest will make possible "on the spot" service, it was announced. L. S. MacDonald is agricultural agent for the N. P. in Billings.

Feeding Based on Beets

Sugar beets are a major cash crop for irrigated land farmers, most of whom carry on livestock feeding operations. The Great Western factory at Billings in 1957 processed its millionth 100-pound-bag of sugar nearly three weeks prior to completion of the annual slicing operation. This was the tenth year out of more than half a century in which the factory, seasonally one of the largest individual employers, processed over 100 million pounds of beet sugar.

The Billings Livestock Commission Company and Billings Public Livestock stockyards conduct weekly sales which include all types of livestock and account



(Roehen Photo)
Livestock feeding is big business in the Billings area.

for the largest sales volume in the state. While much of this livestock goes to Midwest feeders, the number being fed in the area is steadily growing and will account for an increasing proportion of agricultural income.

Packing Pork Products

While cattle account for the bulk of livestock sales, pork is the mainstay for the packing plants at Billings, the Midland Packing Company, and the Pierce Packing Company, largest independent packing plants in the Northwest. New cooling facilities, largely for pork processing, are the first of large-scale additions and modernization scheduled for Pierce Packing. Hog growing offers opportunity for many farmers in the Billings area.

Agriculture accounts for another fast-growing industry—fertilizer distribution. Nine major fertilizer distributors are listed in Billings. The ninth annual Montana Farm Institute sponsored by the Billings Chamber of Commerce in February, 1958, was devoted to education and information on fertilizers and their use.

Services and Construction

Billings is a medical, transportation, shopping, insurance, and entertainment center. It does much insurance business, and creation of the New American Life Insurance Company in 1957 gave the city its first company or "home" insurance office. Another Montana insurance firm, Treasure State Life Insurance Company, also has a Billings office.

With approximately 41,000 people in the city limits and 27,000 more in the

urban area, Billings is the only metropolitan market area in Montana, and the county is the state's largest with over 70,000 persons. Although the Magic City failed to lead construction totals in 1957, it set the pace in such business-barometer statistics as bank debits, water, gas, and light meters, postal receipts, and others.

Midland Materials Co., announced in April, 1957, it had begun construction of a \$200,000 pre-stressed concrete plant west of Billings near the firm's asphaltic concrete facilities, which employs about 15 men. Within a month Billings Pre-Stressed Concrete Products Company announced plans for a second pre-stressed concrete plant east of Billings to employ approximately the same number of men. Billings Concrete Products Company, Elk River Concrete Products Company, and Paganini Concrete Products Company all manufacture concrete products.

Industrial Parks Important

Many large warehouses have been built or announced recently, including the Ryan Grocery and Independent Wholesale Grocers warehouses in the Northern Pacific Industrial Site, the Gambles warehouse in the 90-acre Eire Land & Development Company industrial park south of the Billings business district, and the Goodyear district warehouse announced in November for completion early in 1958.

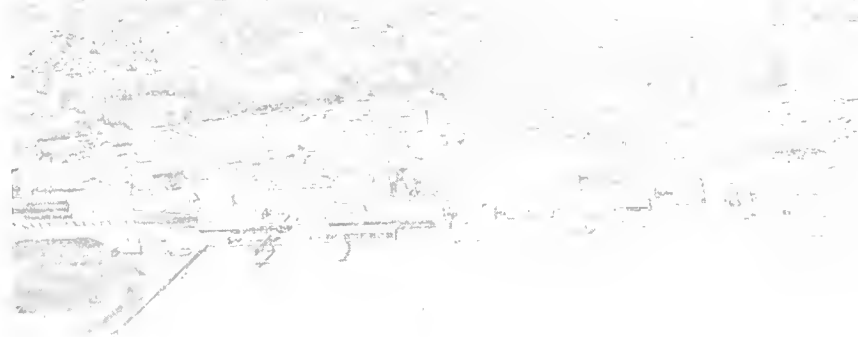
Seventy-six acres were added to the N. P. Industrial Site early in 1957 to allow expansion from the original 80 acres obtained in 1946 and 70 acres added in 1955.

It was announced early in 1958 that Kerr Distributing Company is constructing a building on the site, and that Midland Implement Company will build a project on the site. First building on the second tract was the IWG warehouse, and there are 23 firms represented in the original tract. These include Armo Drainage & Metal Products Company, Empire Heating & Cooling, Montana Electric Supply, Georgia-Pacific, Millwork Supply, Quality Millwork, James A. Madden Company, Crown Engineering, Donahue Lumber & Manufacturing, Linde Air Products, Farmers Union Grain Terminal Association, Y-V Fertilizer, Massey-Harris Implement Company, Ryniker Sheet Metal, and Rocky Mountain Furniture Company.

Utilities Expansion

The Montana Power Company's Frank M. Bird steam electricity generating plant at Billings is a potential source of additional power for the area, which now has a surplus of low-cost power. Natural gas provided by Montana-Dakota Utilities Company has been available in Billings longer than in most Montana cities at economic rates. Mountain States Telephone & Telegraph Company has invested \$3,500,000 in the Billings area in about four years, including more than a fourth of the total for the central office and equipment in Billings. The city will be served by east-west and north-south microwave.

Three colleges, excellent public schools, the climate, and wide range of recreational facilities make people want to live and work in Billings.



(Roehen Photo)
Sugar beets is one of the main crops of the Yellowstone Valley, and the Great Western factory provides important by-products for livestock feeding.

Airports Important to Economy, City Planning

By L. Marx Radeliffe, Administrator
Airport Division
Montana Aeronautics Commission

It was noted during the second Community Development Conference held in Billings, Jan. 23-24, 1958, that mention of planning for airports and airport facilities in construction with overall city, county, planning policies was not included during the meeting. Those concerned with municipal planning should be informed of the increasing importance of airports as a decisive factor in community growth, industrial plant negotiations, plant locations, and of the overall economic value of the airport to the community.

The universal need for airports is growing steadily as more and more businesses and industrial corporations are acquiring aircraft of their own for executive travel needs. In fact, today business aircraft is the most active and important component of general aviation in the country.

Future Aviation Growth

With more than 85,000 aircraft in the general aviation category and more than one-third of 600,000 once-qualified pilots currently keeping their license active, there is a potential for general aviation growth that cannot be overlooked. Since the United States with security in mind has a high degree of industrial dispersion, there is increasing travel by top management, and with industrial dispersion apparently moving towards Montana, our airport system will have to plan for expansion to meet the anticipated requirements of doubled or tripled capacity within the next 15 or 20 years.

The private and business airplane has become an important supplement to air carrier service. It is anticipated that general aviation aircraft will provide fast transportation to airline stops from many of the towns in Montana which will contribute manufacturers' products, educational facilities, industrial raw materials, food products, and many other essential items in the state economy.

Recreational Use

The use of small aircraft for sport or recreation grows steadily. The desire to extend the geographical range of recreation, to achieve, and to avoid crowded highways is expected to pave the way for a substantial increase in the number of private aircraft owners.

To meet the increased demand for recreation-type aircraft, the Montana Aeronautics Commission has initiated a program of construction of airports within the state to provide an air route, all weather

airports if communities are necessary, and when planned with adequate facilities the pleasure bound pilot will pick the type of field over some existing "cow pastures."

Important to City Growth

Technical advances in aircraft have far outstripped our existing airports, and unless Montana communities plan for the future in regards to their airport facilities, the town next door with a future in mind will gain the benefits. Paved runways are most important to flying safety, providing safe landing conditions during all kinds of weather, around the clock, in all seasons at all times. It is a recognized fact that a pilot in planning his cross country flight will pick the improved airport for his gas and overnight stops whenever possible.

It has been determined by the Montana Aeronautics Commission that the greatest need of the aviation industry is the construction of small, safe, multi-purpose airports for use by private and small commercial aircraft. An airport division for the aeronautics commission was activated on August 1, 1957, to assist communities in airport planning and to recommend projects, justifying financial support at state level.

Services of State Commission

The mission of the airport division is to administer and supervise the commission airport program. It is to develop a system of airports and airport facilities in Montana to serve communities that do not have an adequate airport with a surfaced runway; to plan and initiate airport projects so as to provide emergency, recreational and border landing strips; and to contact cities and counties relative to the development and improvement of airports with the use of city, county, state, and federal funds.

Technical aid and advice is furnished to communities, and interested parties, pertaining to airport development and construction projects. During periods of airport inspections the airport division counsels with airport boards, managers, and operators on ways and means of improving their fields. Meetings and talks are arranged with interested organizations by the director and administrator to bring before the public the Montana Aeronautics Commission airport development program.

Standard specifications for the construction of small airports are being prepared which will break down all phases of construction into sections which are general in scope. Inherent local conditions, practices, and needs may require modification or alteration of some items to meet local requirements. A set of standard specifications will be of valuable assistance to communities which do

not have full time engineers available to prepare complete plans and specifications for airport projects.

The aeronautics commission does not initiate projects for municipalities. Any requests for aid originate with the sponsor and then are acted upon by the commission. Any interested group or groups can request assistance on a specific project.

State-Federal Aid

In most cases, local units of government cannot undertake public airport construction without aid of some sort. Only through help from the federal and state governments can the communities having a genuine need for an airport be expected to engage in a public airport development program. The benefits of even the smallest airport usually extends beyond the territorial limits of the owners and airport development can be undertaken only through an equitable sharing in cost.

It is apparent that any community program for overall future expansion will have to include definite plans for airport construction and improvement if they are to meet the requirements and needs of the community for adequate airport facilities.

WALDORF MILL CONTRIBUTES

(Continued from page 1)

When the planned capacity production level of 250 tons is achieved in May this year, the Waldorf plant will be spending in the neighborhood of \$13,250 per day in the Missoula area for about 350 days out of the year, according to Nels H. Sandberg, President of Waldorf Paper Products Company of Montana.

This \$13,250 includes wages and salaries, cost of chips, local services and transportation charges. Thus, over \$46 million will be pumped into the economy each year by Waldorf alone.

Montana has huge potential in the pulp and paper field. Waldorf's beginning operation is based entirely on chips produced from wood wastes; it may expand into direct utilization of pulpwood. Competent observers estimate that within the next decade, there may be as much as \$250 million investment in the pulp and paper field in the state.

Waldorf has made the first step in Montana. How many more employees, how much more personal income, how many more households, school children, bank deposits, stores, and insurance policies will come into being with new development in the wood fiber using industries?

A tremendous amount, we believe.

MONTANA STATE PLANNING BOARD

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Helena, Montana

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